



RÉMY COINTREAU

2023-24 Q3 Sales

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26 January 2024

9M 2023-24 sales - Executive summary

9M 23-24 ORGANIC* SALES GROWTH

-22.7% vs. 9M 22-23
+16.7 % vs 9M 19-20

- **Q3 Sales down -23.5% YoY (+9.1% vs Q3 2019-20)**, impacted by major destocking in **China** and **EMEA**, amid worsened market conditions
- Soft start to CNY (improving in Jan) as cash pressures in the trade weigh on wholesalers' orders; -2.5 pts of CNY calendar effects (i.e, around -€10m)
- Strong sequential improvement in **North America (sell-in)**, driven by positive phasing effects on Liqueurs & Spirits
- **9-Month Price-Mix: -5.6%** impacted by Americas where Cognac sharply underperformed Liqueurs & Spirits; **volume: -17.0%**
- Solid execution of **cost-cutting plan, in line with roadmap**

9M 23-24 ORGANIC SALES GROWTH BY REGION

- **AMERICAS** (very strong DD% decline in 9M i.e. +10% vs 4Y): sharp sequential improvement in Q3 (**slight decrease**), led by L&S
- **APAC** (down HSD% in 9M i.e. >+30% vs. 4Y): **very strong DD% decline in Q3** due to major destocking in China and softer market conditions in RoA*
- **EMEA** (down LSD% in 9M i.e. >+5% vs. 4Y): **strong DD% decline in Q3**, affected by destocking and softer market conditions

9M 23-24 VALUE DEPLETIONS BY REGION

- **US**: down mid-teens YoY in 9M (HSD% decline excl. VSOP); **+15% vs. 9M 19-20** (approx. +50% excl. VSOP)
- **China**: MSD% decline YoY in 9M (o/w up LSD% in Q3 YoY); **> +35% vs. 9M 19-20**
- **EMEA**: HSD% rise YoY in 9M; **approx. +15% vs. 9M 19-20**

CONFIRMED FY GUIDANCE

- **Sales**: decline at the **lower end of the guidance range** (-15%/-20% on an organic basis)
- **COP margin**: **contained organic decrease** thanks to deployment of a major cost-cutting plan

(*) All references to organic growth in this presentation correspond to sales growth at constant exchange rates and scope
LSD: Low-Single-Digit / MSD: Mid single-digit / HSD: High-single-digit / DD: double-digit
RoA: Rest of Asia

Marketing highlights

Rémy Martin celebrates its 300th anniversary around the globe



Reopening of historical House
in Cognac

Launch of 300-year Coupe
and limited editions of full range

Pop-up stores in 20 airports and
Chinese cities
Virtual reality vineyard visit

Centaur Birthday Tour
Nightclubs

Major communication plan,
including during CNY Dragon



Marketing highlights

An end of year packed with impactful initiatives in China

CLUB team-up with celebrity Xian Li

XO team-up with TV series Blossoms-Shanghai

Strong results on digital strategic platforms



Xian Li, one of China's top actors
embodies brand manifesto: "Uncover your edge"



RM, official partner of China's most popular TV series
Produced by Hong Kong director Wong Kar-wai



New product launch to celebrate TMall D11
CLUB Sheep Chen Le Centaure

US Marketing highlights

Successful initiatives to further develop US Direct-to-Consumer



60%
above Target

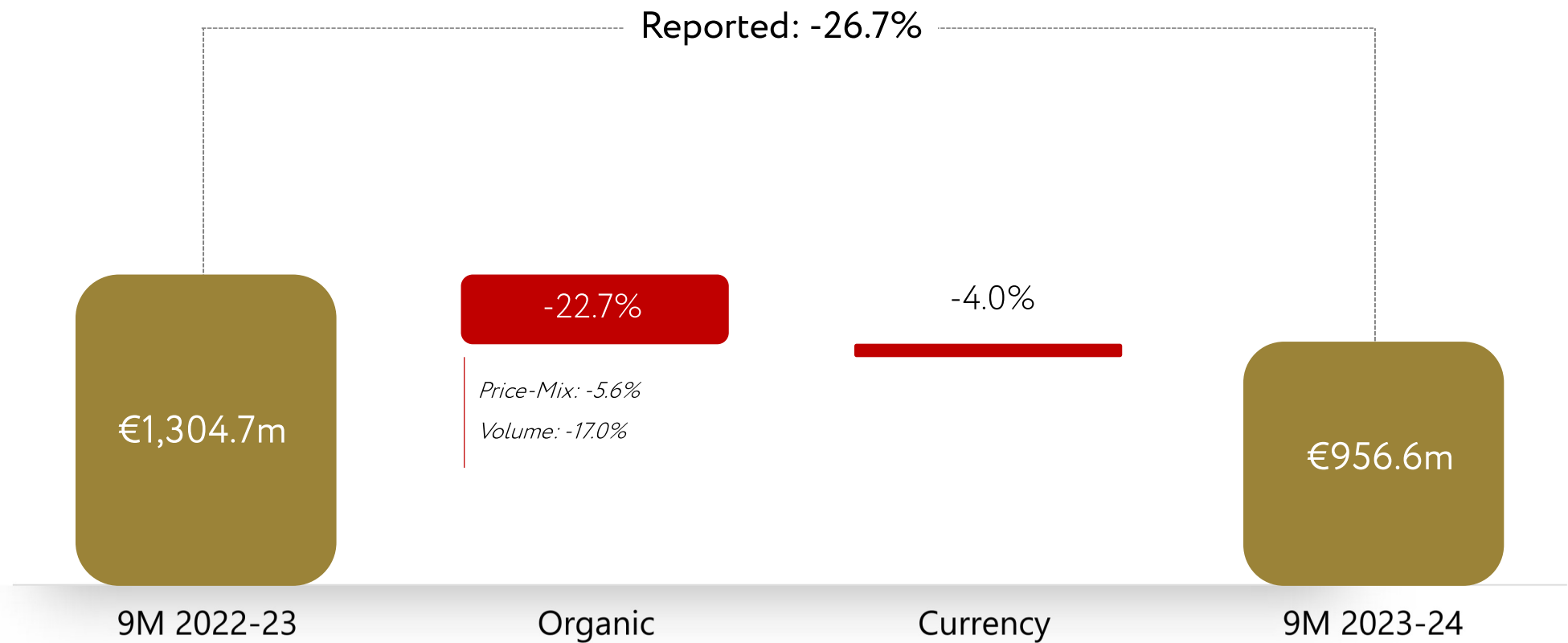
Exclusive Pop-up Boutique at Wynn Las Vegas
During Formula 1 Las Vegas Grand Prix



+135%
Q3 Sales
23/24

Westland - #3 Overall – Top American Whisky
1st time an American Single-Malt is selected

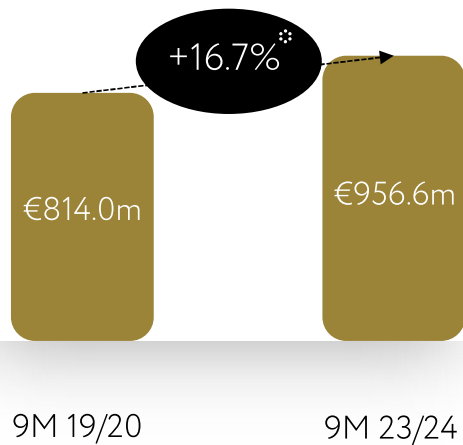
9M 2023-24 - Group sales bridge



9M 2023-24 - Organic sales up +16.7%* vs. 9M 2019-20

GROUP

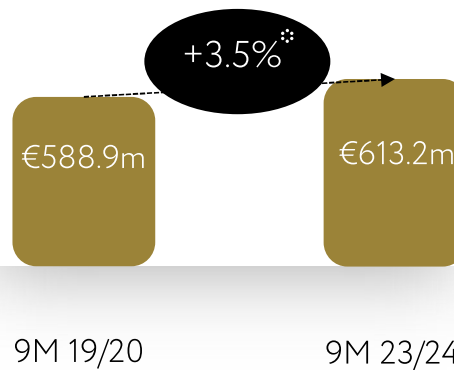
Sales CAGR: +3.9%



Volume: -0.5% (CAGR: -0.1%)
Price-Mix: +17.2% (CAGR: +4.1%)

COGNAC

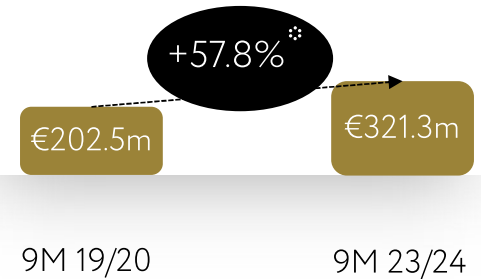
Incl. major US & China destocking
Sales CAGR: +0.9%



Volume: -22.5% (CAGR: -6.2%)
Price-Mix: +26.1% (CAGR: +7.1%)

LIQUEURS & SPIRITS

Sales CAGR: +12.1%



Volume: +17.3% (CAGR: +4.1%)
Price-Mix: +40.6% (CAGR: +8.0%)

(*) Organic sales growth at constant exchange rates (2022-23 rates)

9M 2023-24 – Organic sales trends by region

Americas: very strong DD% YoY decline

+10% vs. 9M 19-20

US

Slight decline in Q3, showing a sharp sequential improvement from Q2 led by:
Gradual sequential improvement in depletions
Positive phasing effects in L&S (sell-in)
Q3 is up +45% vs. pre-Covid level

Inventories at end of December

Around 5m impacted by negative depletions and some L&S restocking

9M value depletions

down mid-teens YoY (HSD% decline excl. VSOP)
+15% vs. 9M 19-20 (+50% excl. VSOP)

Canada

Slight sales increase in Q3, led by positive phasing effects in L&S

Latin America

Strong double-digit decline in Q3

40%
of sales

APAC: HSD% YoY decline

>+30% vs. 9M 19-20

China

Very strong DD% decline in Q3, affected by:
Important destocking ahead of CNY
Negative calendar effects (-5.5 pts)
Cash pressures in the trade
Direct channels significantly outperformed led by e-commerce (up +10% at 35% of sales)

Inventories at end of December

Strong reduction vs. Q2, still slightly high at end Dec. but catching up quickly in Jan
Expected to be back to healthy levels post CNY

9M value depletions

MSD% decline YoY (o/w up LSD% in Q3)
> +35% vs. 9M 19-20

Rest of Asia

Strong DD% decline in Q3, impacted by Australia, Singapore and Malaysia
Japan continued to recover sharply

38%
of sales

EMEA: LSD% YoY decline

>+5% vs. 9M 19-20

Western Europe

Strong DD% decline mainly impacted by Germany and Spain
Performance reflects one-off destocking, intense promotional environment and softer demand

UK

Down mid-teens in Q3 following Q2 restocking (ahead of excise duties increase) and affected by downtrading to cheaper categories

Rest of EMEA

Double-digit decline affected by destocking in Africa, Middle-East and Benelux

Inventories at end of December

Back to sound level

9M value depletions:

up HSD% YoY in 9M
+15% vs. 9M 19-20

22%
of sales

Cognac

Organic sales growth of -31.4% in 9M (o/w -36.3% in volume and +4.9% of Price-Mix)

APAC

HSD% org. decline YoY
> +30% vs. 9M 19-20

52%
of sales

China: very strong double-digit decline in sales in Q3, impacted by major destocking before CNY and negative calendar effects

Underlying trends are softer due to lower consumer confidence and rising cash pressures in the trade

On-trade channel is slightly improving but shows some downtrading; in off-trade, banquets are more resilient and e-commerce still very dynamic boosted by 11/11

Strong quarter for Hong Kong and Taiwan while Macau remained weak as gaming has not yet bounced back

Value depletions were down MSD% in 9M and up slightly in Q3

Rest of Asia: very strong double-digit decline in Q3, impacted by Southeast Asia, particularly Malaysia, Singapore and Australia; Japan recorded solid growth

AMERICAS

Massive org. decline YoY
~ -15% vs. 9M 19-20

36%
of sales

North America:

Very strong double-digit decline in Q3, improving sequentially and back to growth vs. Q3 19-20 (+10%): continued destocking, persistent promotional market and soft underlying demand

Q3 US value depletions: down -13.7% YoY, improving sequentially vs. Q2

Latin America: very strong double-digit decline in sales in Q3; while domestic market was quite resilient, duty-free fell sharply

	Volume depletion trends to Dec.2023	vs. Dec. 2023 (vs. LY)			vs. Dec. 2019 (vs. 4Y)		
		3M	6M	12M	3M	6M	12M
US	Market (source Nielsen)	-7.7%	-8.5%	-11.1%	-13.5%	-10.5%	-8.4%
	Market (source NABCA/Discuss)	8.9%	-13.4%	-23.8%	-35.3%	-39.5%	-37.8%
	Cognac division in Volume (source Company)	-15.3%	-26.7%	-23.0%	-26.4%	-30.4%	-20.5%
	Cognac division in Value (source Company)	-13.7%	-25.1%	-20.3%	-7.6%	-10.9%	0.7%

Price-Mix:
~ +3 pts YoY
~ +21 pts vs. 19-20
12m basis
ended Dec. 23

EMEA

LSD% org. decline YoY
~ -20% vs. 9M 19-20

12%
of sales

Very strong double-digit sales decline in Q3, impacted by:

Destocking, following a slowdown in sell-out at the end of Q2

Softer demand as inflation weighed on purchasing power

Negative phasing effects in the UK following rise in excise duties in August

Liqueurs & Spirits

Organic sales growth of +1.5% in 9M (o/w -5.4% in volume and +6.9% of Price-Mix)

AMERICAS

HSD% org. growth YoY
> +85% vs. 9M 19-20

52%
of sales

North America:

- **Very strong DD% growth in Q3** (approx. +165% vs. Q3 19-20), driven by resilient momentum and boosted by positive phasing effects
- **Cointreau's Q3 US value depletions** were down **-2.2% YoY** (i.e +64.5% vs. Q3 19-20) affected by tough comps and cautiousness by some retailers as the year-end approached

	Volume depletion trends to Dec.2023	vs. Dec. 2023 (vs. LY)			vs. Dec. 2019 (vs. 4Y)		
		3M	6M	12M	3M	6M	12M
US	Market (source Nielsen)	-1.2%	0.5%	0.8%	17.4%	20.9%	21.7%
	Market (source NABCA/Discuss)	-1.1%	-5.7%	-4.1%	0.8%	3.9%	16.7%
	Cointreau in Volume (Source Company)	-2.2%	0.8%	1.2%	51.8%	49.8%	54.6%
	Cointreau in Value (source Company)	-2.2%	0.0%	1.8%	64.5%	64.3%	76.6%

Price-Mix:
+0.6 pt YoY
+22.0 pts vs. 19-20
12m basis
ended Dec. 23

Latin America: sales were slightly down in Q3

EMEA

Flat YoY
~ +30% vs. 9M 19-20

36%
of sales

- Sales **down mid-teens in Q3**, impacted by one-off destocking and softer demand due to persistent inflation
- **The UK** was impacted by phasing effects following the excise duties increase, intense promotional environment as well as downtrading
- **Benelux** and **Western Europe** faced some destocking following a strong H1
- **Africa** was mainly impacted by South Africa (rising price competition) and geopolitical tensions

APAC

Low teens org. decline YoY
> +45% vs. 9M 19-20

12%
of sales

- **China:** **very strong double-digit sales decline** in Q3, impacted by continued destocking in whiskies and weak end-demand (mainly from younger generation)
- **Rest of Asia:** **mid-teen sales decline** in Q3 mainly impacted by **Australia, New Zealand** and **Singapore**; **Japan** saw a steep rise as recovery continued

Update on status of China investigation

- Anti-dumping investigation opens on January 5, 2024
- Products targeted : exports of brandy from EU to China (<200L)
- Period Targeted : October 1, 2022 - September 30, 2023
- Duration of investigation : up to 12 months, with possible 6m extension
- Rémy Cointreau is cooperating fully with the Chinese authorities
- The Group approaches future discussions with **confidence and diligence**:
 - China is a long-standing trade partner
 - Relations and cooperation have always been excellent
 - Products and commercial practices are in compliance



2023-24 outlook

PRIORITIES

Support depletions/sell-out growth

Maintain a strict pricing policy

Focus on A&P that drive impact
Optimize A&P, leveraging BTL and digital

Implement cost-cutting plan (around €100 million)

GUIDANCE

Sales: at the lower end of the guidance range (-15%/-20% on organic)

Negative FX impact: -€50/60m on sales

Protect gross margin in a persistently inflationary environment

Selectively reduce A&P, particularly for the Cognac division

Contained organic decrease in COP margin

Negative FX impact : -€10/15m on COP

Maintain focus on our four strategic priorities



Appendices

Quarterly sales by division

<i>In €m</i>	Q1 23/24	Q1 22/23	Reported %	Organic %
Cognac	155.1	292.3	-46.9%	-44.7%
Liqueurs & Spirits	95.0	109.7	-13.5%	-11.4%
Subtotal: Group Brands	250.0	402.0	-37.8%	-35.6%
Partner Brands	7.5	7.9	-5.4%	-4.6%
Total	257.5	409.9	-37.2%	-35.0%

<i>In €m</i>	Q2 23/24	Q2 22/23	Reported %	Organic %
Cognac	261.0	345.9	-24.5%	-17.8%
Liqueurs & Spirits	111.7	104.7	6.7%	12.1%
Subtotal: Group Brands	372.7	450.6	-17.3%	-10.9%
Partner Brands	6.4	6.6	-2.3%	-1.6%
Total	379.2	457.2	-17.1%	-10.8%

<i>In €m</i>	H1 23/24	H1 22/23	Reported %	Organic %
Cognac	416.1	638.1	-34.8%	-30.1%
Liqueurs & Spirits	206.7	214.5	-3.6%	0.1%
Subtotal: Group Brands	622.7	852.6	-27.0%	-22.5%
Partner Brands	14.0	14.5	-4.0%	-3.2%
Total	636.7	867.1	-26.6%	-22.2%

Organic sales growth: at constant exchange rates & scope

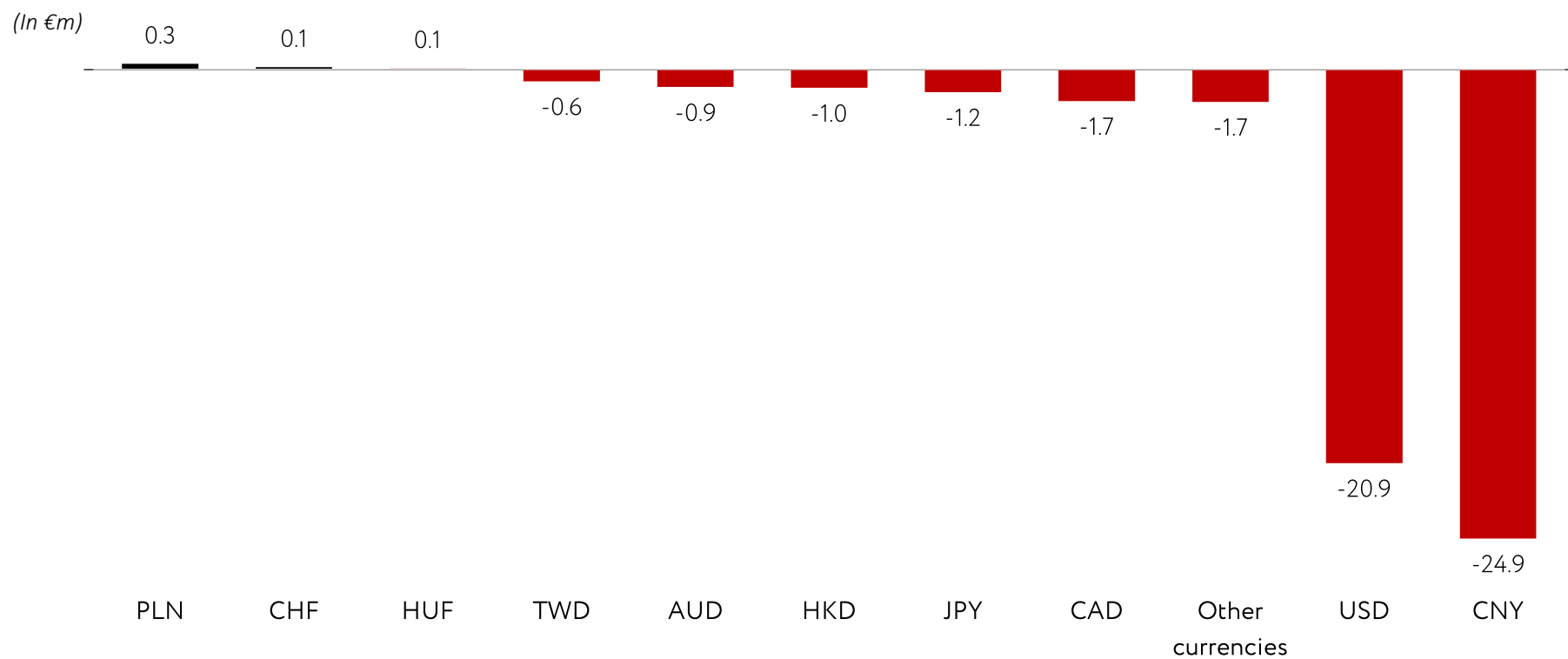
Quarterly sales by division

<i>In €m</i>	Q3 23/24	Q3 22/23	Reported %	Organic %
Cognac	197.1	314.0	-37.2%	-33.9%
Liqueurs & Spirits	114.6	114.1	+0.4%	+4.3%
Subtotal: Group Brands	311.8	428.1	-27.2%	-23.7%
Partner Brands	8.1	9.5	-14.0%	-13.5%
Total	319.9	437.6	-26.9%	-23.5%

<i>In €m</i>	9M 23/24	9M 22/23	Reported %	Organic %
Cognac	613.2	952.1	-35.6%	-31.4%
Liqueurs & Spirits	321.3	328.6	-2.2%	+1.5%
Subtotal: Group Brands	934.5	1 280.7	-27.0%	-22.9%
Partner Brands	22.1	24.0	-7.9%	-7.3%
Total	956.6	1 304.7	-26.7%	-22.7%

Key currency impacts on 9M 2023-24 sales

Total currency impact: -€52.6m



Next financial publication dates

April 26, 2024

2023-24 Q4 Sales

June 6, 2024

2023-24 FY Results





RÉMY COINTREAU

Q&A
